

## COUNTY OF MILWAUKEE

### Interoffice Memorandum

DATE: May 1, 2009

TO: Supervisor Elizabeth Coggs, Chairwoman, Committee on Finance and Audit

FROM: Steve Cady, County Board Fiscal & Budget Analyst  
Kevin Carr, Inspector, Office of the Sheriff  
Douglas C. Jenkins, Deputy Director of Audits

SUBJECT: **REQUEST FOR ADDITIONAL INFORMATION RELATED TO THE AUDIT OF THE MILWAUKEE COUNTY TRANSIT SYSTEM'S SECURITY CONTRACT WITH WACKENHUT CORPORATION (FILE NO. 08-55(a)(a))**

#### REQUEST

At its meeting on March 12, 2009, the Committee on Finance and Audit requested additional information from County Board, Department of Audit and Office of the Sheriff staff related to the current contract with Wackenhut Corporation to provide transit system security services. Specifically, whether the current contract with Wackenhut can be terminated and what could the Sheriff accomplish with the available monies if they provided security. Concerns about the diversity of Wackenhut Corporation staff were also raised.

#### BACKGROUND

The Department of Audit released an audit of the Milwaukee County Transit System's (MCTS) security contract with Wackenhut Corporation in March 2009. A summary of the audit is included as **Attachment A** of this report.

#### ANALYSIS

Department of Audit staff performed a comparative analysis of how much Sheriff's sworn staff could be deployed with the \$1,125,703 allocated to Wackenhut Corporation for security services in 2008. In short, the number of available staffing hours would decrease by approximately 46% per week, from 624 to 338. This equates to approximately 21 FTE private security officers versus 13.3 FTE sworn deputies for the same amount of money. Moreover, the Sheriff does not agree that sworn deputies should be the primary security force for the Milwaukee County Transit System. The Sheriff believes that the Office of the Sheriff should control the contract so that additional crime data analysis can be applied and private security staff can be more efficiently deployed. Milwaukee Transport Services, Inc (MTS) does not want to relinquish the administration of the security contract to the Office of the Sheriff, but is recently working collaboratively with the Sheriff to share information and coordinate deployment of security resources.

The current contract has termination provisions that would allow MTS to terminate the agreement due to non-funding, convenience or default. Therefore, the contract could be ended at any time by MTS.

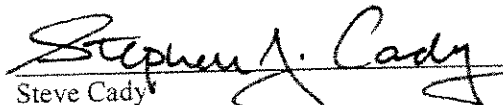
The recent audit of MTS's security contract provided this observation relating to diversity of Wackenhut Corporation staff:

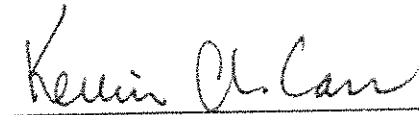
*In its contract proposal, Wackenhut stated it will make a reasonable effort to recruit and select personnel who reflect the nature, character, ethnic and minority diversity of the service area. To determine the diversity of the service area, we obtained information for 2007 from the U. S. Census Bureau showing the racial breakdown of Milwaukee County residents. In addition, an estimate of the racial composition of MCTS ridership was noted in a semi-annual report made by a firm contracted by MCTS to perform customer satisfaction surveys semiannually. Both comparisons show a need for Wackenhut to increase the number of minorities it employs to more closely align with the population of the service area.*

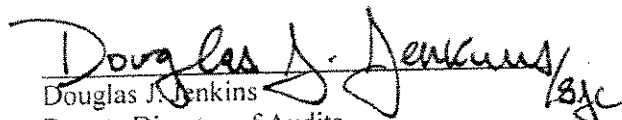
According to the audit response, MCTS and Wackenhut Corporation "are also committed to providing a diversified staff that reflects the community that we serve."

#### RECOMMENDATION

This is an informational report and no action is necessary.

  
Steve Cady  
County Board Fiscal and Budget Analyst

  
Inspector Kevin Carr  
Office of the Sheriff

  
Douglas J. Jenkins  
Deputy Director of Audits

cc: Supervisor, Lee Holloway, Chairman, Milwaukee County Board of Supervisors  
County Executive Scott Walker  
Cynthia Archer, Director, DAS  
Anita Gulotta-Connelly, Managing Director, MCTS  
Dee Hervey, Chief Committee Clerk, County Board

### Summary

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The Department of Transportation and Public Works (DTPW) provides public transit services through the Milwaukee County Transit System (MCTS). DTPW contracts with Milwaukee Transport Services, Inc. (MTS), a private not-for-profit corporation, for direct management and operation of the transit system. MTS uses transit facilities and equipment owned by Milwaukee County. The Transportation Planning Division of DTPW provides County oversight of MTS administration. Since July 1, 1993, MTS has contracted with Wackenhut, Inc., a private security firm, to provide transit system security services. In its contract proposal in 2003, Wackenhut established a goal that 85% of a security officer's time should be spent riding on a bus or assisting with a situation at a bus stop. Despite clear documentation establishing the expectation of an MCTS security strategy emphasizing security officers riding buses, emphasis has instead been placed on deploying a mobile security force. MTS management has acknowledged that, despite language regarding an on-bus presence contained in its contract specifications and Wackenhut's contract proposal, a mobile response capability provided by deployment of Custom Protection Officers (CPOs) in vans is the strategic approach preferred and agreed upon by the parties. MTS management also noted its contract with Wackenhut provides MTS with the authority to modify deployment of security staff. According to MTS management, the 85% performance goal was not, and is not, its expectation. MTS management stated that deploying CPOs to spend such a significant amount of their time riding buses reduces the ability of those officers to respond to calls for assistance from bus operators.

Generally, teams of two CPOs spend about two-thirds of the workday in vans patrolling throughout the County. The remainder of the day is spent performing security-related activities, including responding to calls for assistance, performing security checks at selected Park & Ride locations and MCTS administrative buildings, following up on prior incidents, taking up five short bus rides, monitoring bus activity at selected intersections, and other administrative duties. Very little time is spent actually riding buses, and bus rides routinely taken by CPOs are generally short, typically only a few blocks in length.

These conclusions were based on a combination of reviewing documentation supporting CPOs' activities, review of a sample of work shifts documented by using a Global Positioning System (GPS) that tracks the movement of Wackenhut vans, our observations while accompanying CPOs in their vans, and interviews with CPOs and bus operators.

Our analysis of activities performed by Wackenhut security staff identified the following:

- The current strategy used by Wackenhut has resulted in most of a CPO's workday spent in a van. On the days reviewed, only 2.8% of CPO work time was spent riding buses. In October 2008, MTS modified its approach, directing Wackenhut to deploy one team of two CPOs to ride buses for one eight-hour shift per weekday. If sustained, this would increase average CPO work time devoted to riding buses from 2.8% to approximately 15%.
- Striking the proper balance between spending more time on buses and maintaining the capability to quickly respond to requests for assistance could be

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facilitated by deploying fewer CPOs in teams of two. The initial model described in the 2003 transit security RFP called for a CPO presence on buses, with supervisors in vans providing mobile response capabilities. Movement towards that deployment strategy would enhance the proactive nature of the MCTS security program.

- Our GPS review showed 7.5% of the CPOs' time was spent on security stops at six MCTS facility locations. All of these facilities have employees in attendance at the same times that the security stops were conducted. In addition, each of these locations has security cameras for monitoring activity. Data maintained by Wackenhut show there are few incidents at these locations. During the period February through April 2008, only 19 of 781 incidents (2.4%) occurred at the six MCTS facilities noted. MTS management stated that issues with vandalism and break-ins at some of its facilities, including a maintenance facility, justify the security checks.
- An opportunity for coordination and improved efficiency occurs in the area of follow-up reports generated by Wackenhut CPOs. Follow-up reports are initiated when bus operators report incidents for which a Wackenhut CPO team was unable to respond. Our review of the 781 incident reports for February through April 2008 showed that about 12% of these reports represented follow-ups to prior incidents in which CPOs did not respond to the incident at the time of its occurrence. While the practice of documenting the facts relating to each bus incident is important, the time and effort spent obtaining and recording information during this follow-up did not appear to provide any added value.
- Our analysis identified some apparent linkage between the more serious security incidents and subsequent CPO deployment schedules. However, we did not find this linkage to be strong. Further, it was difficult to determine whether or not the limited number and duration of bus rides taken by CPOs strengthened this linkage, because records maintained by CPOs at the time of our fieldwork did not identify the precise location of brief CPO bus rides.
- Wackenhut maintains an extensive database of information relating to all incidents. The database is used to generate a number of monthly reports, including a breakdown of all security incidents by type, by day of the week, by time of day, and by bus route. Statistics are also maintained summarizing the activities performed by CPOs, such as the number of bus rides taken, intersection monitoring, security checks, etc. However, logs of daily activities are destroyed prior to the end of the retention period mandated by contract, making it impossible to verify reported statistics for those time frames where logs are destroyed.
- Response times reported by Wackenhut are not independently calculated and include estimates. Average response times reported for March 2008 were about six and one-half minutes.
- Patrols by CPO teams are not generally monitored. Vans were often observed at MCTS' Downtown Transit Center for extended time periods, where few incidents occur. At times, more than one van was present. Their presence was not in

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response to any calls for assistance, nor were security checks of the location performed.

- Weekly invoices submitted by Wackenhut routinely included three hours worked by an administrative assistant that is not billable per contract. According to the Wackenhut Project Manager, the assistant was working those times as a CPO assigned to a van. However, we found no documentation supporting this statement. MTS has initiated recovery of about \$14,400 for this individual since 2004.

### Recent Improvements

In October 2008, two additional improvements were made in MCTS security officer deployment. As previously noted, this was when MTS directed Wackenhut to deploy one team of two CPOs to ride buses for one eight-hour shift per weekday. A review of logs maintained by CPOs on these shifts showed that precise locations were identified for points of boarding and exiting buses.

We believe this modification is a step in the right direction, and that adherence to a strategy more closely resembling that which is outlined in Wackenhut's current contract proposal will have a positive effect on overall MCTS bus security.

In addition, the roll call information sheets were modified to include the location and times of the more recent, serious security incidents on the bus routes identified. This data is important for assisting CPOs in deciding where and when to provide a security presence as they perform both extended and limited bus rides.

There also is evidence of increased collaboration with the Milwaukee County Sheriff's Office. It appears that currently there is good communication between MTS, Wackenhut and the Sheriff's Office concerning bus security activities. According to MTS and the Sheriff's Office, the Sheriff's Office has been keeping Wackenhut staff informed of the bus routes it is focusing its attention on to avoid duplication of effort. This coordination needs to continue, with the Sheriff's Office continuing to focus on crime-related incident trends, and with Wackenhut CPOs focusing their bus riding efforts on bus routes with the highest behavior-related incident trends.

### Contract Administration and Performance Measures

The ability to measure contractors' performance is critical for determining not only to what extent a contractor is meeting expectations, but also how well the contractor's performance is meeting program objectives. Accountability for contracted services can be enhanced if the contracts include clearly defined performance measures that address the goals and objectives of the program. We noted a need for MTS management to establish meaningful, quantifiable security-related objectives in future contracts so that it can determine the extent to which those objectives are being attained. The current contract includes some measurable goals, such as reducing the number of incidents. However, this does not take into consideration changes in the number of passengers or bus routes over time, rendering direct comparisons inaccurate.

For instance, we found that plotting the rate of security incidents, adjusted for passenger-miles, rather than the number of incidents, for the period 2000 through 2008 produced significantly different results.

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This particular performance measure also provides a basis for comparing Wackenhut performance with other jurisdictions. Using information MCTS and other transit systems submit to the United States Department of Transportation (USDOT), we compared MCTS' incident rates for specific types of incidents with four other Midwest transit systems for the period 2003 through 2007. The results showed that MCTS had the highest incident rate for the last three years (2005 through 2007). Because the data includes only incidents resulting in criminal charges, a higher incidence rate could indicate a more aggressive security effort. In addition, because the numbers are self-reported, there may be differences in the diligence and/or accuracy of data submitted. Therefore, such comparisons should not be viewed exclusively, but rather in conjunction with other trend analyses, such as the internal Wackenhut incident rate data.

### **Context is Important**

Incident data must be viewed in the context of the enormous number of passengers served and miles traveled on MCTS buses. In 2008, MCTS served an estimated 50.8 million passengers, registering an estimated 152.8 million passenger-miles. This equates to approximately 1.35 million bus trips carrying an average busload of 38 passengers. For the entire system, there were 3,216 reported incidents. Stated another way, in 2008 there was a 99.76% chance of taking an MCTS bus trip without incident.

### **Other Issues**

In its request for this audit, the County Board expressed concern regarding the diversity of the Wackenhut staff deployed to MCTS buses and their skills in understanding cultural differences.

#### Cultural Diversity

In its contract proposal, Wackenhut stated it will make a reasonable effort to recruit and select personnel who reflect the nature, character, ethnic and minority diversity of the service area. To determine the diversity of the service area, we obtained information for 2007 from the U. S. Census Bureau showing the racial breakdown of Milwaukee County residents. In addition, an estimate of the racial composition of MCTS ridership was noted in a semi-annual report made by a firm contracted by MCTS to perform customer satisfaction surveys semiannually. Both comparisons show a need for Wackenhut to increase the number of minorities it employs to more closely align with the population of the service area.

#### Cultural Sensitivity

By all accounts, Wackenhut's CPOs have performed in accordance with their policy of handling themselves in a dignified manner, being courteous and responsive in dealings with all individuals, and being fair and consistent so that even people who do not agree with actions taken will feel they are being treated fairly and the rules are being equally applied to all parties. We found no issues relating to the manner in which CPOs handled cultural diversity issues while performing their duties. Reviews of complaint files, interviews with bus operators and route supervisors, and semi-annual survey results taken by a firm under contract with MTS all reflected positively on Wackenhut staff.

#### Bus Operator Training

Our interviews with 29 MCTS bus operators indicated a need to improve the training provided to handle passengers. A review of training records showed 200 bus operators

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have not had Passenger Interactive Program training in more than 10 years. This training, which includes conflict avoidance, is especially important because of the potentially high stress levels of both bus operators and passengers.

Our report includes recommendations addressing each of the issues identified in the audit. We would like to acknowledge the cooperation of management and staff at Wackenhut and at MTS during the course of this audit. A management response from MTS is included as **Exhibit 4**.